

# Capital Programme 2017/18

**Cabinet**

**Date: 8<sup>th</sup> February 2017**

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Author: Cabinet Member for Finance and Corporate Services  
Interim Corporate Director, Resources

Wards: All

Locality Affected: All

Parishes Affected: All

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## **1. Purpose and Reasons**

- 1.1 To report new Capital Programme requirements for the period 2017/18 to 2018/19.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.

## **2. Recommendations**

Cabinet is requested to recommend the Council to:

- 2.1 Note the position and budget requirement for the additional Children's Services schemes referred to at paragraph 3.5 below.
- 2.2 Approve a budget of £3.615m for the schemes referred to at paragraph 3.10 below and detailed in Appendix 1.
- 2.3 Approve a total budget of £5.191m for the 2017/18 local priority Highways and Transport schemes, referred to in paragraphs 3.11 to 3.14 below and detailed at Appendix 2.
- 2.4 Approve a total budget of £0.674m for 2016/17 for Repairs and Maintenance on Corporate Property as referred to in paragraphs 3.15 and detailed at Appendix 3.
- 2.5 Approve a total budget requirement of £0.957m for Older Peoples and other capital schemes referred to in paragraph 3.17 and detailed at Appendix 4.
- 2.6 Approve a budget of £0.750m to cover necessary replacements to vehicles used across all general fund service areas and managed by the fleet department. Permission to proceed on acquiring new vehicles will be delegated to the Cabinet Member for Street-Smart, Highways and Transport and the Board Director Communities & Place on approval of business cases as detailed in paragraph 3.20.
- 2.7 Approve the use of CIL receipts as detailed in paragraph 3.24 to support the existing capital programme.

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Further information on the subject of this report can be obtained from Ian Burbidge on Direct Dial No.464384, or Email [iburbidge@swindon.gov.uk](mailto:iburbidge@swindon.gov.uk).

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## 3. Detail

### Capital Programme 2017/18

- 3.1 The Council approved, on Cabinet's recommendation, a 2016/17 programme in February 2016 with indicative costs in years beyond reflecting the Government's decision to approve grants on a yearly basis
- 3.2 This report details the Capital Programme approval requirements for 2017/18, and indicative requirements for 2018/19.

### **Children's Services Schemes**

- 3.3 The Government allocates two main capital grants to support expenditure on school assets; maintenance grant and basic need grant. Maintenance funding is provided for maintenance and repair to existing school buildings, and Basic Need funding supports the requirement for providing new pupil places in new or expanded maintained schools but does not include funding for any Special Educational Needs places. Neither grant is ring-fenced to schools, but given the pressures in this area it is recommended that these funds are used as proposed in this paper.
- 3.4 **Basic Need grant of £163,419** has been awarded for 2017-18, with £2,958,997 indicative funding for 2018-19. Any schools required as a result of development are expected to be funded from S106 contributions, and no Basic Need grant would be expected. Any schools provided as a Free School would be funded directly through the Education Funding Agency ("EFA") with a contribution from any S106 receipts.
- 3.5 During 2016/17 the EFA have agreed to fund two 2 Form Entry (FE) primary schools (Middle Wichel and a New Eastern Villages (NEV) provision), in addition to a new 50 place special secondary school. The Council is also aware that bids have been submitted to open the following primary schools; Tadpole Farm, Abbey Farm (both 2 FE) and a 1 FE school at Badbury Park. In addition a bid has been submitted for a learning campus in the NEV that will encompass a 10 FE secondary school and a 2 FE primary provision. A further bid has been submitted to provide a Social, Emotional and Mental Health Special secondary school that will provide both a day school and residential provision. The results of these bids are not expected until spring 2017.
- 3.6 Cabinet will be aware that the primary school that was planned for South Marston has been removed from the current capital programme and as noted above a bid has been submitted to provide the Badbury Park primary via the free school route and therefore it is proposed to remove the funding requirements for this school from the Council's capital programme. The funding released from these schemes being removed from the current capital programme will be reallocated to the schemes noted below. The Council are working with the Regional Schools

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Commissioner to identify and market new mainstream schools via the free school programme, this route is supported by the Council by agreeing to passport s106 funding received to the EFA to support these free school bids.

- 3.7 **Capital Maintenance grant** for 2017/18 has not been notified at the date of writing this report but is estimated at **c£1.3m** (2016/17 £1.296m). The level of grant is reduced every time a school converts to an academy as academies are funded directly from the EFA. Notification of the exact sum is not expected until spring 2017.
- 3.8 As noted in 3.5 above there is a demand for new schools to be opened over the next 3 years that are currently expected to be provided by the free school programme. In the event that these are not approved an update will be provided to Cabinet outlining alternative options to meet the need for these schools.
- 3.9 The Council has to meet the cost of expanding schools to meet need where it is not practical to build new schools. In addition the LA has responsibility for maintaining its special school and special resource provision.
- 3.10 This report seeks approval for the following Children's Services schemes:-
- 3.10.1 £650,000 required for condition works, funded from Maintenance grant, which relates to high priority condition issues outside of the schools ability to fund from their own delegated funding (which is fairly small), such as replacement heating systems.
  - 3.10.2 Funding to acquire and furnish two mobile classrooms at Bridlewood and Abbey Meads Primary Schools. This is to accommodate the additional demand that has been generated in the local area.
  - 3.10.3 Funding is required to complete the improvements at Crowdys Hill Special School. Cabinet will be aware that there has been a programme of improvements at this site over the last few years, this is the final phase of improvements that will see the school's accommodation all brought up to a high standard to meet the needs of the current cohort of pupils.
  - 3.10.4 Brimble Hill Special School is being requested to host additional primary age pupils that will require the remodelling of an existing area of the school to provide an additional classroom. Similarly Eldene Primary School is being asked to lower the age range of pupils that it accepts in its Special Resource Provision, this will require a small amount of remodelling to the existing school.
  - 3.10.5 The total funding requirement for all the schemes noted above is **£3.615m**; this is funded from £1.797m maintenance grant, £713k Basic Need grant and £1.105m of S106 contributions.

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- 3.10.6 The breakdown of the budgets for the schemes detailed at paragraphs 3.10.2 to 3.10.4 will be provided post tender and added to the Capital Programme.

## Local Priority Highways, Transport and Landscapes Schemes

- 3.11 The Government provided an indication that the Local Transport Plan (LTP) grant funding for 2017/18 will be **£4.008m** (an increase from £3.944m in 2016/17), this includes the LTP Highways Maintenance - Incentive Fund Grant. This is non-ring-fenced funding and the proposed 2017/18 programme has been developed within this envelope of funding to ensure no further Council borrowing is required. The proposed approval includes £250k for car park maintenance.
- 3.12 The Department of Transport have announced two additional sources of funding for Swindon in the form of a Pothole Action Fund (**£0.194m**) and a Productivity Investment Fund (**£0.673m**), these additional funds result in a total **£4.875m** of Department of Transport funding. Fuller details around the specific allocations of the budget to highways schemes will be contained within the Swindon Local Transport Plan Implementation Plan 2017/18 report which will be brought to a future Cabinet.
- 3.13 Officers are proposing that the following schemes are also included in the 2017/18 capital programme; all of these schemes are funded from S106 receipts.
- 3.13.1 £79k to improve pedestrian areas around 1-7 Purton Road, the current provision does not allow sufficient vehicular parking, turning space and pedestrian access.
- 3.13.2 £58k towards the Great Western Community forest to be added to the existing budget to continue the development of this site.
- 3.13.3 £134k towards Moulden Hill Country Park for changing facilities to enable the use of the sports pitches, as well as work to the car parks, footpaths and signage.
- 3.14 In the absence of any firm funding notification beyond 2017/18, officers are recommending that Cabinet only make new approvals for 2017/18. The total 2017/18 scheme value of £5.191m is detailed at **Appendix 2**; this also shows indicative requirements for 2018/19.

## Property and Assets

- 3.15 **Appendix 3** contains a summary of the property and assets related capital schemes requiring approval. There is a requirement for works totalling **£0.674m** in the following areas:
- 3.15.1 STEAM museum has requested that £104k of S106 funding is released to enable the improvement of the area in front of the main

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entrance. The area currently suffers from poor drainage which does not provide visitors with a good impression of the museum. The area in question is not in the ownership of the Council but permission has been received from the land owner for the Council to undertake these improvements.

3.15.2 £470k - General Repairs & Maintenance. This includes Disability Discrimination Access requirements and work on “non-highways structures” such as bridges within parks. There has previously been a sum of £2m allocated annually, funded from borrowing, which covers the above requirements. As there are delays in delivering the existing programme, the requirement for 2017/18 has been reduced whilst the backlog is cleared.

3.15.3 £100k - Management of asbestos works

3.16 No specific funding is available for the £570k of new approvals detailed at paragraphs 3.14.2 and 3.14.3 above and therefore they will all need to be funded from borrowing. Indicative proposals beyond 2017/18 are shown on **Appendix 3** but no approval is required at this stage.

## Older People and Other Proposals

3.17 Appendix 4 contains details of five new scheme approvals with a total budget requirement of **£1.257m** of which **£0.957m** is funded from grants and S106 contributions. These schemes are summarised below:-

3.17.1 £897k – Disabled facilities grants, fully grant funded. Disabled Facilities Grants are mandatory grants (subject to claimants fulfilling certain conditions) for which Swindon receives grant funding of £897k (2017/18 indicative figure). There has been increased demand for these grants in recent years; any additional demand over and above the grant would need to be funded from borrowing. If this is likely to happen in 17/18 a further request will be made as part of a capital monitoring report. These grants support people to stay in their homes and remain independent.

3.17.2 £60k – Housing options – Shared living accommodation, funded from s106 contributions.

3.17.3 £300k – Community equipment, funded from borrowing. Officers have indicated that based on past experience the demand for Community Equipment exceeds the revenue budget by c£446k, this is a joint funded provision and the Councils share of this cost pressure is c£300k. In previous years the capital grant provided by The Department of Health has covered these costs and the cost of Disabled Facilities grants, however the increased demand for Disabled

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Facilities grants means this option is no longer available to the Council. The budget provides for daily living aids and equipment that allow the elderly and disabled to live independent lives, higher cost items such as hoists and hospital beds are suitable to be charged to Capital. Borrowing costs are estimated at around £16.5k per annum over 50 years. This proposal relates to expenditure that assists individuals to remain independent, staying in their own homes for longer and therefore potentially reduces demand on Adult Social Care services.

- 3.18 Officers are recommending that only 2017/18 proposals are approved at this stage due to no firm funding being available beyond this period.
- 3.19 The council are in the process of re-procuring our Adult Social Care IT system. The current provider Northgate have informed us this week that they are pulling out of the Adult Social Care market from 2020, therefore the procurement process will lead to a new system being secured. There is currently a capital budget of £538k allocated to fund the new system. Soft market testing has indicated that this is unlikely to be a sufficient budget. Further information will be provided in a future Capital monitoring report regarding costs as soon as they are available.

## **Vehicle Fleet**

- 3.20 Following the reintegration of services from Swindon Commercial Services Ltd in November 2013, requests to Cabinet for authorisation to purchase replacement vehicles across all service areas have been received on an ad hoc basis.
- 3.21 A review has been undertaken based on the age profile of the current fleet to set out a replacement programme. A budget of £750,000 for the first phase of the programme is requested to enable the replacement of vehicles which include transit type vans and other small vehicles used in day to day delivery of services. The operational departments hold revenue budgets to meet the anticipated financing costs of the vehicles acquired. Vehicle fleet replacement will form an integral part of future year's capital programmes.
- 3.22 It is recommended that Cabinet delegate final approval to purchase vehicles, based on individual costed business cases, to the Cabinet Member for Street-Smart, Highways and Transport and the Board Director Communities & Place. Alternative fuel vehicles will be considered as part of this business case process.
- 3.23 Any requirement for high cost specialist vehicles will be the subject of a separate capital bid to Cabinet for approval.



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## **Community Infrastructure Levy (CIL)**

- 3.24 At its December meeting Cabinet was advised that this report would contain a recommendation for the use CIL receipts to support the capital programme. During 2015/16 the Council received £32k of CIL receipts and it is proposed that this funding be used to replace part of the anticipated borrowing requirement for the programme of improvements at Waterside depot. It is also proposed that any CIL receipts for 2016/17 are used to support this element of the capital programme. The value of CIL receipts for 2016/17 will be supplied to Cabinet as part of the Capital outturn report.

## **4. Alternative Options**

- 4.1 Any alternative options for specific areas are set out within the report.

## **5. Implications, Diversity Impact Assessment and Risk Management**

### Financial and Procurement Implications

- 5.1 These have been reflected in the body of the report.

### Legal and Human Rights Implications

- 5.2 All legal and human rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention rights.

### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 There are no such direct implications.

### Diversity Impact Assessment (DIA)

- 5.4 The Highways and Transport proposals in this report are under the umbrella of a DIA covering the Local Transport Plan; this is available from the Service Manager, Transport Planning. This DIA identified that there was no adverse impact for any equality group. DIA's have been carried out for all of the other proposals requiring 17/18 approval and have identified no adverse impact. These are held in the respective service areas.

## **6. Consulters**

- 6.1 The Interim Corporate Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

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**7. Background Papers**

7.1 None.

**8. Appendices**

8.1 Appendix 1- Children's Services proposals

8.2 Appendix 2 - Highways and Transport proposals

8.3 Appendix 3 - Property Proposals

8.4 Appendix 4 - Older Peoples & other proposals

**9. Key Decision/Decision in Cabinet Work Programme and Forward Plan**

9.1 This is not a Key Decision and is included in the Cabinet Work Programme / Forward Plan for February 2016.